

RECORDATION NO. 26782 FILED

JAN 31 '07 -2 5 5 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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(202) 393-2266
FAX (202) 393-2156
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OF COUNSEL
URBAN A. LESTER

January 31, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Mortgage, dated as of January 31, 2007, a primary document as defined in the Board's Rules for the Recordation of Documents.

The name and address of the party to the enclosed document are:

Debtor: Babcock & Brown Rail Funding LLC
885 Second Avenue
49th Floor
New York, NY 10017

[Secured Party: Bayerische Hypo-Und Vereinsbank AG, Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany]

Mr. Vernon A. Williams
January 31, 2007
Page Two

A description of the railroad equipment covered by the enclosed document is:

180 railcars:

10 railcars: GBRX 65020 – GBRX 65029
25 railcars: GBRX 65425 – GBRX 65499
25 railcars: AOK 34375 – AOK 34399
50 railcars: LEHX 1000 – LEHX 1049
50 railcars: LEHX 1050 – LEHX 1099
20 railcars: GBRX 65030 – GBRX 65049


A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$34.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/sem
Enclosures

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MEMORANDUM OF MORTGAGE

SURFACE TRANSPORTATION BOARD

Memorandum of Mortgage, made and entered into as of January 31, 2007 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "Debtor") and **BAYERISCHE HYPO-UND VEREINSBANK AG**, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Amended and Restated Security Agreement dated as of October 18, 2002 (as supplemented, including by Security Agreement Supplement No. 50 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned and the Secured Party have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By 

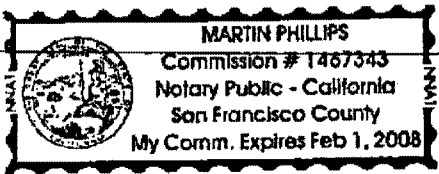
Name: Ross Sullivan

Title: Vice President

STATE OF CALIFORNIA)
) ss.:
COUNTY OF SAN FRANCISCO)

On January 30, 2007, before me, MARTIN PHILLIPS, Notary Public, personally appeared Ross Sullivan, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Martin Phillips
Notary Public

Memorandum of Mortgage

List of Leases and Other Operative Agreements

Lease No. 1 – Excalibar Minerals Inc.

Master Full Service Railcar Lease dated as of June 1, 2006, between Greenbrier Leasing Company LLC (as assignee of Babcock & Brown Rail Funding LLC) and Excalibar Minerals Inc.

Schedule No. 01 to Master Full Service Railcar Lease dated as of June 1, 2006, between Greenbrier Leasing Company LLC (as assignee of Babcock & Brown Rail Funding LLC) and Excalibar Minerals Inc.

Memorandum of Full Service Railcar Lease dated as of June 1, 2006, between Greenbrier Leasing Company LLC (as assignee of Babcock & Brown Rail Funding LLC) and Excalibar Minerals Inc.

Assignment and Assumption Agreement dated as of January 30, 2007, and effective as of June 1, 2006, between Babcock & Brown Rail Funding LLC and Greenbrier Leasing Company LLC.

Warranty Bills of Sale dated as of June 19 and June 26, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC.

Lease No. 2 – Knauf Insulation GmbH

Master Full Service Railcar Lease dated as of May 1, 2005, between Greenbrier Leasing Company LLC and Knauf Insulation GmbH.

Schedule No. 02 to Master Full Service Railcar Lease dated as of December 1, 2006, between Greenbrier Leasing Company LLC and Knauf Insulation GmbH.

Amendment No. 1 to Schedule No. 02 dated as of January 17, 2007, and effective as of December 1, 2006, between Greenbrier Leasing Company LLC and Knauf Insulation GmbH.

Memorandum of Railcar Lease dated as of December 1, 2006, between Greenbrier Leasing Company LLC and Knauf Insulation GmbH.

Warranty Bill of Sale dated as of December 14, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC.

Lease No. 3 – Soo Line Railroad Company

Lease Agreement made as of June 1, 2006, between Greenbrier Leasing Company LLC and Soo Line Railroad Company.

Schedule No. 1 made as of June 1, 2006, between Greenbrier Leasing Company LLC and Soo Line Railroad Company.

Memorandum of Schedule No. 1 dated June 1, 2006, between Greenbrier Leasing Company LLC and Soo Line Railroad Company.

Warranty Bill of Sale dated as of May 9, 2006, from Trinity Rail Group, LLC to Greenbrier Leasing Company LLC.

Lease No. 4 – Lehigh Cement Company #1

Master Net Railcar Lease dated as of November 17, 2006, and effective as of August 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Schedule No. 1 to Master Net Railcar Lease dated as of November 17, 2006, and effective as of August 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Memorandum of Net Railcar Lease dated as of November 17, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Warranty Bills of Sale dated as of August 31, September 15 and September 29, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC.

Lease No. 5 – Lehigh Cement Company #2

Master Net Railcar Lease dated as of November 17, 2006, and effective as of August 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Schedule No. 2 to Master Net Railcar Lease dated as of November 17, 2006, and effective as of August 2, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Memorandum of Net Railcar Lease dated as of November 17, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Warranty Bills of Sale dated as of September 29, October 5 and October 24, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC.

Lease No. 6 – Lehigh Cement Company #3

Master Net Railcar Lease dated as of November 17, 2006, and effective for purposes of Schedule No. 3 as of July 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Schedule No. 3 to Master Net Railcar Lease dated as of January 15, 2007, and effective as of July 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Memorandum of Net Railcar Lease dated as of January 15, 2007, and effective as of July 1, 2006, between Greenbrier Leasing Company LLC and Lehigh Cement Company.

Warranty Bill of Sale dated as of June 26, 2006, from Trinity North American Freight Car, Inc. to Greenbrier Leasing Company LLC.

EQUIPMENT

<u>Lease #</u>	<u>Lessee</u>	<u># Cars</u>	<u>Year Built</u>	<u>Manufacturer</u>	<u>AAR Code</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
1	Excalibar Minerals Inc.	10	2006	Trinity North American Freight Car, Inc.	C612	3230 CF Pressure Differential Covered Hoppers, 286,000 GRL	GBRX 65020-65029, inclusive	None
2	Knauf Insulation GmbH	25	2006	Trinity North American Freight Car, Inc.	C112	3281 CF Cement Covered Hopper Railcars with three (3) 30" circular loading hatches and two (2) Miner gravity discharge outlets w/ gaskets; 286,000 GRL	GBRX 65425-65449, inclusive	None
3	Soo Line Railroad Company	25	2006	Trinity North American Freight Car, Inc.	E241	112 Ton, 42 Ft. Coil steel cars with continuous trough, coil cover and movable crossbar	AOK 34375-34399, inclusive	None
4	Lehigh Cement Company (Schedule #1)	50	2006	Trinity North American Freight Car, Inc.	C112	3281 CF Cement Covered Hopper Railcars with three (3) 30" circular loading hatches and two (2) Miner gravity discharge outlets w/ gaskets; 286,000 GRL	LEHX 1000-1049, inclusive	None

<u>Lease #</u>	<u>Lessee</u>	<u># Cars</u>	<u>Year Built</u>	<u>Manufacturer</u>	<u>AAR Code</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
5	Lehigh Cement Company (Schedule #2)	50	2006	Trinity North American Freight Car, Inc.	C112	3281 CF Cement Covered Hopper Railcars with three (3) 30" circular loading hatches and two (2) Miner gravity discharge outlets w/ gaskets; 286,000 GRL	LEHX 1050-1099, inclusive	None
6	Lehigh Cement Company (Schedule #3)	20	2006	Trinity North American Freight Car, Inc.	C612	3230 CF Pressure Differential Covered Hoppers 286,000 GRL	GBRX 65030-65049	None

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#4334565_v1

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

1/31/07



Robert W. Alvord